MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

December 2009

CENTER FOR INFORMATION SYSTEMS AND ANALYSIS

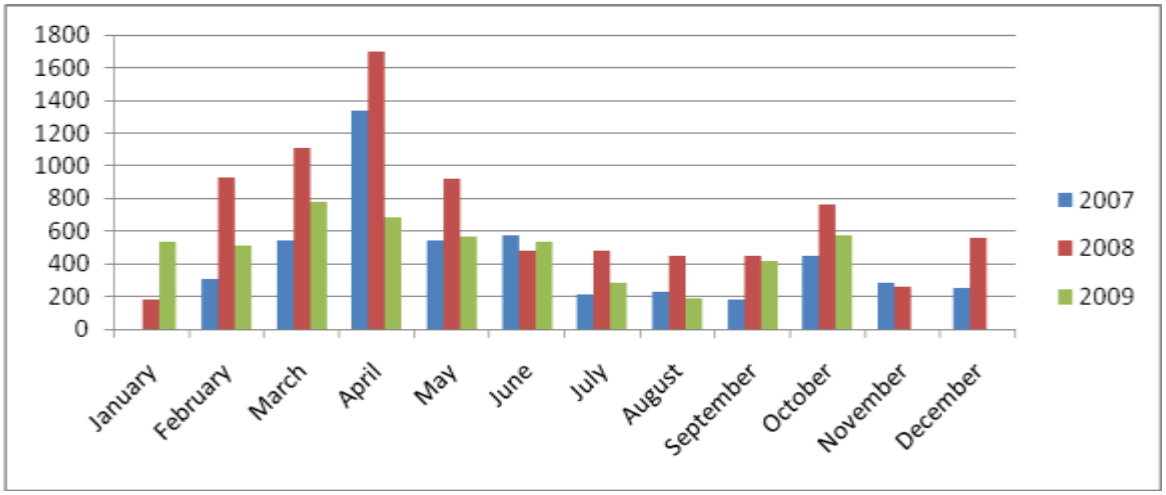
Maryland Trauma Physician Services Fund

Uncompensated Care Processing

CoreSource, Inc., the third party administrator (TPA) for the Trauma Fund, adjudicated claims with a total paid value of approximately $572,935 in October. The monthly payments for uncompensated care since February 2007 are shown below in Figure 1. Since the start of the 2010 fiscal year in July, the level of uncompensated care has fallen significantly.

Electronic submission of Trauma Fund claims is now available. University of Maryland practices and Johns Hopkins Clinical Practice Association are currently submitting trauma claims electronically to CoreSource. Physician practices' staff may contact Maureen Abbott, the Trauma Fund's customer service representative at CoreSource, at 1-800-624-7130, extension 55512, or direct dial at 410-933-5512 for further information.

Figure 1 – Trauma Fund Uncompensated Care Payments 2007-2009



Patient Centered Medical Home Workgroup

The PCMH Workgroup met on October 26th and on December 14th. The newly formed Transformation Quality Measures subgroup met on November 6th and on November 20th. PCMH Workgroup meetings are regularly held at the Commission's offices in Room 100, though conference call attendance is also available. Persons interested in participating in the Workgroup should send an e-mail to: pcmhpractices@mhcc.state.md.us.

Staff presented an overview of the PCMH pilot project to members of the Prince George's County Medical Society and to the Howard County Primary Care Summit in early December.

Kathleen White, PhD., the Workgroup's chairperson, will report to the Maryland Health Quality and Cost Council on the status of the pilot project on Friday, December 18, 2009. Information regarding the work of each of the subgroups and the Workgroup, as well as the schedule of upcoming meetings, is available on the Council's website at: http://dhmh.state.md.us/mhqcc/pcmh.html. Meetings have not yet been scheduled for next year.

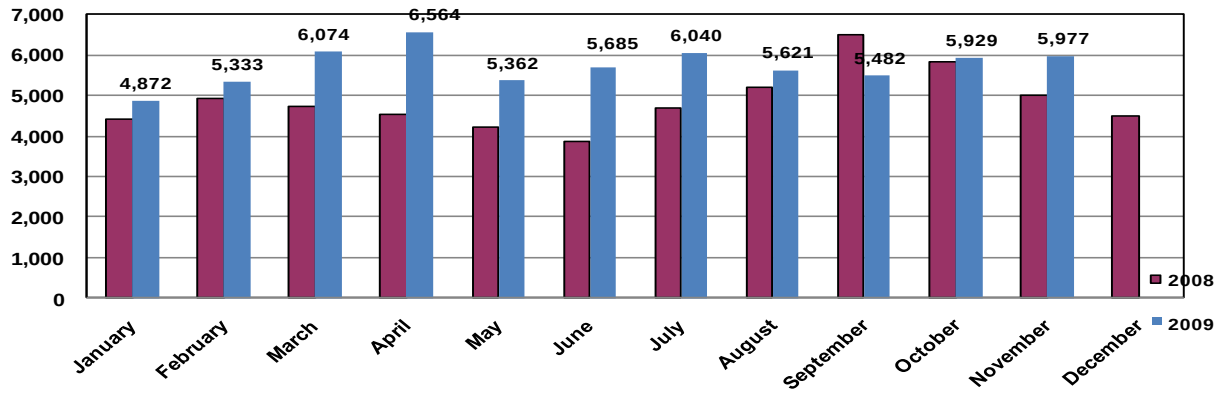
Data and Software Development

Internet Activities

Unique visitors to the MHCC website were essentially unchanged from October. However, the number of unique visits was up by 20 percent from November 2008. About 43 percent of visitors had not visited the site previously, which is consistent with previous months. Time on the site and the number of pages viewed remained constant with the previous month.

About 41 percent of unique visitors arrived by directly entering the MHCC URL (mhcc.maryland.gov) or subfolders for our URL (mhcc.maryland.gov/hospitalguide for example). About 39 percent arrived via a search engine such as Google, which was the starting point for a full 25 percent of all unique visits. The most common keywords used in the search were: "maryland health care commission;" "mhcc;" "maryland healthcare;" "maryland health care commission long term care survey adult day care;" and "healthcare associated infections report." The remaining 20 percent of visitors were referred from sites such as other state agencies. The DHMH website was the most common referring site, followed by the Maryland Web Portal (Maryland.gov).

Figure 2 -- Unique Visitors to the MHCC Web Site



Web Development for Internal Applications

Table 1 presents the status of development for internal applications and for the health occupation boards. In the upcoming months, MHCC staff will add several new capabilities to the website, the first of which will be a listserv capability, which is not available for several projects at the Commission. Planning is underway for several new projects, including a Physician/Health Professional Portal that will integrate information on all projects that are of interest to health professionals in Maryland. The second effort is a redesign of the Hospital Quality website. A combination of internal and contract resources will be used for this effort.

Table 1– Web Applications Under Development

Board	Anticipated Start Development/Renewal	Start of Next Renewal Cycle
Board of Physicians – Physician Renewal	Completed	July 2009
Chiropractic Examiners	Completed	September 2009
Nursing Home/Long Term Care Survey	Completed	July 2009
Health Insurance Partnership	Completed	October 2009
Nursing Home/Long Term Care Survey Development	Development Underway	January 2010
Nursing Home Quality Site	Proposals Under Review	Start of Project: February 2010
MHCC Listserv	Completed	Available as of December 2009
Health Insurance Compare	RFP Released	February 2010
Physician Portal	Planning	February 2010
Hospital Quality Redesign	Planning	Spring 2010

Cost and Quality Analysis

Health Care Expenditures Comparison Report

Staff has been working with our data base contractor, Social and Scientific Systems, to design the new *Health Care Expenditures Comparison Report (HCEC)*. This report, which will be produced every two years, will replace the *State Health Care Expenditures* report. The purpose of the new report—like the old report—is to convey information on health care spending in Maryland. But in contrast to the old report, the new report will: compare spending in Maryland to other states; provide richer contextual data to allow better understanding of the types of factors that underlie spending patterns and trends; and make use of existing information on spending and utilization that is available from other organizations (such as the Centers for Medicare & Medicaid Services) that will make the new report less expensive to produce. The specific content of the report is expected to change over time. This will enable us to make use of the most interesting and useful information available in any particular production year and to adjust the topics addressed in each version of the report in response to reader feedback on the report's utility. The 2010 *HCEC* will present an overview of the variation in health care spending across Maryland and selected states, followed by a comparison of these states in: factors affecting demand for health care, factors affecting supply of health care (including market characteristics) and aspects of policy that affect health care spending.

Other MCDB Contract Activities

Practitioner Utilization: Trends Among Privately Insured Patients, 2006-2007, has been posted to the MHCC website. This year's version of the professional services report differs from last year's in several ways. It includes more information on payment rates—payment per relative value unit—including how payment rates vary by provider location and network status, in total and by payer market share. (The average payment-per-RVU paid to out-of-network providers—whether overall or by payer group—was about 50 percent higher than the average payment-per-RVU across all services. Payment-per-RVU is lower among the largest payers than among the other payers.) Staff revised the report to eliminate much of the redundant information, and in 2010 we will further simplify the report by limiting all but the payment rate analyses to health care users who were enrolled in an insurance product for the entire year.

Results of the diabetes study, discussed in last month's Update, will be presented at the January Commission meeting.

Racial Differences in Hospitalizations for Ambulatory Care Sensitive Conditions (ACSCs)
The *American Journal of Preventive Medicine (AJPM)* will publish, "Racial Disparities in Hospitalizations for Eight Ambulatory Sensitive Conditions in Maryland," in its April 2010 issue. The paper summarizes the key findings of the MHCC-funded study that was completed last year.

CENTERS FOR HEALTH CARE FINANCING AND LONG-TERM CARE AND COMMUNITY BASED SERVICES

HMO Quality and Performance

Staff issued the final Reporting Requirements for Maryland Commercial HMOs and PPOs. This was followed by a kick-off meeting for the audit review cycle which was held on December 2, 2010 with presentations by HealthcareData Company, LLC, our contract auditors, and WB&A Market Research who conducts the member satisfaction survey. The health plans were given the opportunity to discuss the protocols for data collection, audit and the CAHPS survey. There is extensive work required by the health plans to prepare for the audit including the collection of medical records.

Because of the current state of Maryland's economy we have contacted each of our contractors requesting price concession for the current and remaining years of the contract. We were successful this month in getting a contract price reduction from NCQA.

We are most pleased to report that we have had a successful recruitment for the vacant division chief position. The new division chief will be introduced to the MHCC staff at a breakfast reception on December 16, and to the Commissioners at the meeting on the 17th.
PPOs are not required to report to the Commission but three health plans Aetna, CareFirst, and CIGNA have been participating in a pilot using many of the same measures as are used for the HMOs and agreed to do so again this year. We hope to complete our evaluation of the performance measures this year with expansion of the PPO measures for 2011.

We have piloted a proprietary product for the last two years called eValue8 which complements the HEDIS measures and creates a much more robust performance measurement program and subsequently results in a report with greater utility for employers and employees choosing a health plan. We are currently in negotiations with the franchisee, the Mid-Atlantic Business Group on Health for the 2010 evaluation period.

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)
With the enactment of SB 637/HB 674, the Commission is required to study options to implement the use of value-based health care services and increase efficiencies in the CSHBP. Staff has contracted with Health Management Associates (HMA) to conduct this study. The final version of the report will be presented later in the meeting for Commission approval to submit the report to the General Assembly.

SB 637 also requires the Commission to report on potential options for allowing plans with fewer benefits than the Standard Plan. Mercer is conducting this analysis, which will be presented later in the meeting for Commission approval to submit the report to the General Assembly. Finally, this Act requires the Commission to post on the MHCC website and update quarterly, premium comparisons of health benefit plans issued in the small group market (VIRTUAL COMPARE©). The RFP for development of the website has been distributed to the TPAs and posted on the state procurement site with a brief update later in the meeting.

Health Insurance Partnership
The "Partnership" premium subsidy program has been available to certain small employers with 2 to 9 full time employees since October 1, 2008. As of December 4, 2009, enrollment in the Partnership was as follows: 221 businesses; 646 enrolled employees; 1,050 covered lives. The average annual subsidy per enrolled employee is about $2,000; the average age of all enrolled employees is 38; the group average wage is approximately $28,000; the average number of employees per policy is 3.9; and the total subsidy amount allocated is about $1.3 million.

Commission staff continually updates the Partnership website (http://mhcc.maryland.gov/partnership) to inform all interested parties, including, carriers, producers, employers, employees, various business associations, etc. about this subsidy program. Staff also participates in Minority Business Enterprise (MBE) or other organizational networking meetings to promote the program. The second annual report on the implementation of the Partnership will be presented later in the meeting for Commission approval to submit the report to the General Assembly. The report is due by January 1, 2010.

Mandated Health Insurance Services
Insurance Article § 15-1501, Annotated Code of Maryland, requires the Commission to submit an annual report to the General Assembly on: (1) any proposed mandated health insurance service that failed during the preceding legislative session; and (2) any request for analysis on a proposed mandated benefit that was submitted by a Legislator to the Commission by July 1st of that year. Each evaluation must include an assessment on the medical, financial, and social impact of the proposed mandate. In early October, staff received a request to again review coverage for autism spectrum disorder with removal of age and monetary limits, and a request to review changing the eligibility for IVF coverage from two years of infertility in the current mandate to one year of infertility. Mercer evaluated the fiscal impact of these changes. The report, due by December 31, 2009, will be presented later in the meeting for Commission approval to submit to the General Assembly.

Long Term Care Policy and Planning

Hospice Data
Work is currently underway on the FY 2009 Maryland Hospice Survey. A meeting was held on November 4th with representatives of both limited and general licensed hospices to review a draft for the FY 2009 survey. Revisions have now been made and will be sent out again for review and comment. The survey is expected to be released by mid February.

Minimum Data Set
Staff is currently working with the minimum data set (MDS) Resident Assessment Instrument to update data sets for planning and policy development. The focus is on: update current programs and address programming issues; construct variables for research projects; develop a methodology to impute missing data; create data sets that permit tracking of variables over time; and link data sets. The most recent conference call was held on November 24th.

HB 30 Work Group
Long Term Care staff has been asked to participate in the HB 30 Workgroup. The mission of the workgroup is to study: the types of options available in the state for hospice and palliative care; the degree to which these options are utilized within home, long term care, hospital, and hospice settings; the average length of time spent in various settings; and the types and degree of barriers that exist regarding awareness of, and access to hospice and palliative care programs. A meeting will be held on December 10th to finalize the report.

Chronic Hospital Occupancy Report
As required under COMAR 10.24.08, a notice was published in the December 4, 2009 *Maryland Register* to update Chronic Hospital Occupancy for FY 2008. This report is required to be updated annually. It reports data on occupancy for both private and state-operated chronic hospitals. The private chronic hospitals include James Lawrence Kernan Hospital; Johns Hopkins Bayview Medical Center; Levindale Hebrew Geriatric Center and Hospital; University Specialty Hospital; and Gladys Spellman Specialty Hospital and Nursing Center. The state-operated chronic hospitals include Western Maryland Center and Deer's Head Hospital Center.

Home Health Agency Survey
There are 20 home health agencies with fiscal year ending dates of March 31, May 31, or June 30 which are in Phase I of data collection. To date, 14 home health agency surveys are in progress; six others have not started, but are aware of the survey due date of January 12, 2009. Staff from all six agencies that have not started the survey were contacted by phone on December 7, 2009. Staff will send out reminder notices on December 14, 2009 which is 30 days before the survey due date.

Long Term Care Survey
Development of the 2009 long term care survey is in progress; staff continues to test the application. The data cleaning of the 2008 long term care survey is scheduled to begin during December.

Long Term Care Quality Initiative

LTC Website Expansion
14 proposals were received on November 30, 2009 in response to the RFP for the design and development of the MHCC LTC web site. Review of proposals is now underway. Staff anticipates that a vendor will be selected to begin work in January 2010.

In collaboration with nursing home industry representatives, staff continues to refine the information to be included in the expanded web site.

Nursing Home Survey
The 2009 Nursing Home Experience of Care surveys completed the data collection phase. Analysis of responses will proceed over the next few weeks. Results are expected to be available in January. The family survey achieved a 58 % response rate; this marks the fourth year this survey has maintained a response rate that exceeds comparable surveys. The pilot survey sent to recently discharged short stay nursing home residents achieved a 50% response rate, which is also above average.

Staff will present the results of these surveys at a future commission meeting.

Other Activities
Staff continues the process of converting the Minimum Data set to version 3.0, and looking at options for changes to the home health need methodology.

Staff have again been invited to present at the AHRQ User Group Meeting to be held in Baltimore in April 2010. This three day conference showcases how health care organizations are using the Consumer Assessment of Healthcare Providers and Systems (CAHPS®) surveys and the AHRQ Surveys on Patient Safety Culture (SOPS) to assess and improve patient experience and patient safety.

CENTER FOR HOSPITAL SERVICES

Hospital Services Planning and Policy

Certificate of Need (CON): November 1, 2009 through November 30, 2009

CONs Issued

Carroll Hospital Center (Carroll County) – Docket No. 09-06-2299
Addition of 2 mixed-use, general purpose operating rooms (implemented in conjunction with permanent closure of the Ambulatory Care Center, a temporarily delicensed 4-operating room freestanding ambulatory surgical facility)
Approved Cost: $25,000

Modified CONs Issued

Govans Ecumenical Development Corporation "The Green House at Stadium Place" (Baltimore City) – Docket No. 07-24-2224
Increase in capital costs and a change in the financing mechanism. The approved project is establishment of a 49-bed comprehensive care facility ("CCF").
Approved Cost: $12,729,674 (an increase of $323,228 in the original approved cost of $12,406,446

Pre-Licensure/First Use Approval Issued (Completion of CON-Approved Projects)

Western Maryland Health System (Allegany County) – Docket No. 05-01-2164
Replacement and relocation of two general acute care hospitals (Memorial Hospital and Medical Center of Cumberland and Braddock Hospital) with a single general acute care hospital (Western Maryland Regional Medical Center)
Estimated Final Project Cost: $398,121,404

Johns Hopkins Bayview Medical Center (Baltimore City) – Docket No. 08-24-2289
Addition of 4 mixed-use operating rooms (3 of which have specialized imaging systems capability)
Estimated Final Project Cost: $23,706,464

CON Letters of Intent

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Baltimore County)
Establish a new free-standing ambulatory surgery facility with 2 operating rooms in a new medical office building constructed by Kaiser in Baltimore County

NMS Healthcare of Hagerstown (Washington County)
Addition of 43 CCF beds acquired from Homewood at Williamsport

CON Applications Filed

Physicians Surgery Center of Frederick (Frederick County) – Matter No. 09-10-2302
Establish an ambulatory surgical facility through the addition of a second operating room at an existing ambulatory surgical center with 1 operating room located at 81 Thomas Johnson Court in Frederick

(implemented in conjunction with closure of a 2-operating room ambulatory surgical facility, Fredericktown Ambulatory Surgical Center, located at 198 Thomas Johnson Drive in Frederick
Estimated Cost: $105,500

Pre-Application Conference

Physicians Surgery Center of Frederick (Frederick County)
November 17, 2009

NMS Healthcare of Hagerstown (Washington County)
November 18, 2009

Project Status Conference

Montgomery General Hospital (Montgomery County) – Docket No. 09-15-2293
November 4, 2009

Determinations of Coverage

- **Ambulatory Surgery Centers**

Surgery Center of Potomac (Montgomery County)
Addition of the specialties of gynecology and urology to the surgery center

- **Other**

    - **Miscellaneous**

Gladys Spellman Specialty Hospital and Nursing Center (Prince George's County)
Relocation of 2 CCF and 2 special hospital-chronic beds within the facility. No change in licensed bed capacity.

Planning and Policy

On November 24, 2009, a *Report on Selected Maryland Acute Care and Special Hospital Services: Fiscal Year 2010* was posted on the MHCC web site. This is a new version of an annual report published since 2001, originally developed to provide updated information on licensed acute care hospital beds and the annual changes in hospital bed licensure under the licensure regime established in Maryland law in 2000. Over time, the report has been expanded to also provide updated information on hospital service capacity in emergency departments, surgical services, and obstetric/perinatal services. This new report, for FY2010, has been significantly expanded to provide information on special hospital bed capacity, including information on chronic care hospital beds, medical rehabilitation beds, and non-acute care psychiatric beds. The report can be accessed at:

http://mhcc.maryland.gov/hospital_services/acute/acutecarehospital/annrptlicbedsfy10.pdf

Hospital Quality Initiatives

Hospital Performance Evaluation Guide (HPEG)

- *Hospital Performance Evaluation Guide Updates and New Measures*

On November 30th, the MHCC added 30-day risk-adjusted mortality data for Medicare patients hospitalized with AMI, Heart Failure and Pneumonia to the Hospital Guide. There are additional enhancements to the Guide planned over the next few months. These enhancements include the addition of patient experience data and information on healthcare -associated infections. By January 2010, the staff plans to include patient experience data collected through the Hospital – Consumer Assessment of Healthcare Providers and Systems (HCAHPS) survey. Information on active surveillance testing for MRSA in ICUs is also planned for inclusion in the Guide early next year as well. MHCC has engaged the services of the Iowa Foundation for Medical Care (IFMC) to facilitate the implementation of this project. The staff continues to work with IFMC on the development of the format for display of these new measures on the Guide.

- *Collection of Data on Specialized Cardiac Care Services*

MHCC defines specialized cardiac care to include three major services: (1) emergency angioplasty referred to as primary percutaneous coronary intervention (pPCI) services, for certain types of heart attacks or ST elevation myocardial infarctions (STEMIs); (2) elective or non-primary PCI; and, (3) cardiac surgery. There are currently ten Maryland hospitals that offer all three specialized cardiac care services. In addition, thirteen Maryland hospitals without cardiac surgery on-site provide emergency angioplasty services under a waiver program established by the Commission.[1]

To develop recommendations on future cardiac services data collection, a PCI Data Work Group has been established. The Work Group includes representatives from organizations that submitted comments in response to the Commission's request for recommendations on alternative approaches to collecting data for primary and elective PCI services as well as cardiac surgery services. Those organizations include: Adventist HealthCare; American College of Cardiology (Maryland Chapter); Anne Arundel Medical Center; Carroll Hospital Center; Frederick Memorial Healthcare System; Holy Cross Hospital; Johns Hopkins Health System; MedStar Health; MIEMSS; Peninsula Regional Medical Center; Southern Maryland Hospital Center; the Society for Cardiovascular Angiography and Interventions; University of Maryland Medical Center; and, Western Maryland Health System. The PCI Data Work Group held their first meeting on Monday, December 7th. A second meeting has been scheduled for Wednesday, December 16, 2009 at 1:00 p.m. at the Commission offices.

- *Maryland Quality Measures Data Center Project*

In addition to the activities associated with the immediate update of the Guide, the MHCC has implemented a Quality Measures Data Center (QMDC). The QMDC provides a web-based tool for hospitals to upload clinical quality measures and patient experience (HCAHPS) data required to be reported to the Commission. This approach will not only accelerate the timely receipt of data directly from hospitals, but it will enable the Commission to validate the accuracy and completeness of the data as well Staff and the contractor, IFMC, meet weekly to review progress and facilitate problem resolution. The Commission now has the 1st and 2nd quarter 2009 clinical measures and HCAHPS data reported to the QMDC. Individual hospital preview reports for the 2nd quarter 2009 data submission will be posted to the QMDC website on December 21st as scheduled. These reports provide hospitals the opportunity to

[1] Nine of these hospitals have been approved by the Commission to participate in a research study of non-primary PCI in hospitals without cardiac surgery on-site.

review their facility's data prior to public release of the information on the Hospital Performance Evaluation Guide.

Healthcare Associated Infections (HAI) Data

- *Validation of Data on Central Line-Associated Blood Stream Infections (CLABSI) in the ICU*

Since July 1, 2008, Maryland hospitals have been required to use the National Healthcare Safety Network (NHSN) surveillance system to report data to the Commission on Central Line-Associated Blood Stream Infections (CLABSI) in any ICU. Hospitals are required by NHSN to report data in the system within 30 days following the end of the month. The Commission has collected several months of CLABSI data and has initiated an independent quality review of the data prior to public release of the information on the Hospital Guide. The Commission has engaged the services of a contractor with expertise and experience in auditing healthcare infections data. The contractor, APIC Consulting Services, Inc., held a training session for the auditors on December 8th and the auditors have begun the process of conducting on-site reviews. It is anticipated that on-site reviews will conclude in early January. MHCC staff participated in the one-day training session and continues to provide oversight of the process.

- *American Recovery and Reinvestment Act (ARRA) Grant Funding*

On September 4, 2009, the Centers for Disease Control and Prevention (CDC) announced the award of a $1.2 million grant to Maryland under the American Recovery and Reinvestment Act (ARRA) to enhance the prevention of healthcare-associated infections (HAI). The grant is a collaborative effort involving the Department of Health and Mental Hygiene, Maryland Health Quality and Cost Council, and the Maryland Health Care Commission. The funds available under this program will build on the Commission's HAI initiatives and enable Maryland to strengthen its data collection, reporting, and analysis infrastructure to meet the challenge of preventing HAI. The grant will support two Health Policy Analyst positions. The staff will be conducting interviews with candidates over the next two weeks.

Working with the Department of Health and Mental Hygiene, the Maryland Health Quality and Cost Council, and the HAI Advisory Committee, Commission staff has prepared the first *Maryland Healthcare-Associated Infections Prevention Plan* for submission to the Office of the Secretary, U.S. Department of Health and Human Services by January 1, 2010. Staff will brief the Commission on the Plan at the December 17th meeting.

- *Active Surveillance Testing (AST) for MRSA in All ICUs Survey*

The results of the third quarter (July-September 2009) survey for collecting data on Active Surveillance Testing (AST) for MRSA in all ICUs have been submitted by hospitals. It is important to note that this is a process measure that evaluates the rate of hospital screening (AST) for MRSA in all ICUs. It is not an outcome measure that evaluates the rate of MRSA colonization or infection in the hospital. The results of the survey are being reviewed for completeness and will be distributed to hospitals for review prior to public reporting early next year.

Other Activities

In support of MHCC's hospital quality initiatives, the staff continues to reach out to other units within DHMH, federal agencies, professional organizations and other states, to share and gather information and to identify opportunities for collaboration and improvement. The staff continues to collaborate with the HSCRC staff on data issues to support the Quality Based Reimbursement project and broader rate setting issues.

Specialized Services Policy and Planning

The State Health Plan for Cardiac Surgery and Percutaneous Coronary Intervention Services (COMAR 10.24.17) requires Maryland hospitals without on-site cardiac surgery to obtain a waiver to provide primary percutaneous coronary intervention (pPCI), which is the emergency use of catheter-based techniques, including balloon angioplasty, to relieve coronary vessel narrowing in patients with ST-segment elevation myocardial infarction (STEMI). The Commission may issue a pPCI waiver for a two-year period, provided that the applicant hospital meets and continues to meet all requirements for pPCI programs without on-site cardiac surgery. On December 17, 2009, the Commission will take action on the applications of the following hospitals to renew their pPCI waivers: Holy Cross Hospital (Docket No. 09-15-0048 WR), Howard County General Hospital (Docket No. 09-13-0046 WR), Johns Hopkins Bayview Medical Center (Docket No. 09-24-0049 WR), and Saint Agnes Hospital (Docket No. 09-24-0047 WR).

CENTER FOR HEALTH INFORMATION TECHNOLOGY

Health Information Technology

Drafting of the *Ambulatory Health Information Technology Survey* (survey) report continued in November. Approximately 325 ambulatory surgical centers responded to the survey. Preliminary results indicate that roughly 34 percent use electronic health records (EHRs) with clinical decision support features. Similar to the *Hospital Health Information Technology Survey*, this survey assesses the adoption of health information technology (HIT) in seven core areas, such as data sharing and electronic prescribing. A key finding from the data indicates that roughly 54 percent of ambulatory surgical centers use technology to support patient care. MHCC will release a detailed report on the findings in January. Staff also completed the data collection for the second annual *Hospital Health Information Technology Survey*. This survey assesses HIT adoption in the 47 acute care hospitals in Maryland. This is the second year in which all 47 hospitals completed the survey. A report on the findings from the survey will be released in March.

The large private payers Aetna, CareFirst, CIGNA, Coventry, Kaiser, and United Healthcare each submitted a response to staff's request for state-regulated private payers to outline their current and planned activities to incentivize providers for EHR adoption. Almost 91 percent of the premium volume for health care in Maryland is attributed to these payers. House Bill 706 (HB 706), *Electronic Health Record – Regulation and Reimbursement,* which was signed into law in May 2006 builds on the Medicare and Medicaid adoption incentives under the *American Recovery and Reinvestment Act of 2009* (ARRA). This legislation requires state-regulated payers to provide incentives for the adoption of EHRs beginning in 2011. Payers agreed that EHR adoption incentives should be related to consequential efforts to improve quality, the use of nationally certified EHRs, and compliance with the meaningful use requirements under ARRA.

Staff invited roughly 30 stakeholders to participate on an Advisory Panel to develop criteria for the state designation of management services organizations (MSOs). HB 706 requires the MHCC to designate one or more MSOs by October 2012. MSOs are considered a viable alternative to the traditional EHR client-server model where the technology is maintained at the provider site. These organizations are capable of supporting multiple EHR products at reduced costs through economies of scale with bulk purchasing. Technical support usually extends beyond the standard business hours and in some instances is available on a 24/7 basis. EHRs maintained outside of the physician practice enables physicians to focus on practicing medicine rather than dedicating staff to support the technology. The Advisory Panel established a smaller subpanel that is tasked with developing essential components of the designation criteria. The subpanel is scheduled to meet in January.

Staff is currently reviewing the summary draft of the nursing home EHR adoption environmental scan. This scan assessed the adoption of EHRs among Maryland nursing homes. Approximately 51 nursing homes participated in the environmental scan. Key findings from the environmental scan indicate that most nursing homes use computers for administrative and financial activities. Almost one half use their computers to perform some basic clinical applications, and approximately 26 percent have a limited EHR. Staff anticipates releasing a summary document on the leading findings around the beginning of the year. Staff is planning to work with nursing home administrators to identify options for EHR adoption that includes an Application Services Provider (ASP) model as a low cost alternative to the standalone client server-based approach. Staff plans to consult with existing management service organizations (MSOs) on the feasibility of offering EHR products to nursing homes.

Staff posted the *Nursing Home EHR Product Portfolio* (Portfolio) on the MHCC website. The Portfolio contains a core set of product information that will assist nursing homes in assessing EHRs. Staff worked with nine vendors to provide pricing discounts on their products which are included in the Portfolio. These vendors have provided core information about their system including pricing, privacy and security policies (for ASP solutions), customer references, and case studies. The purpose of the Portfolio is to provide an EHR system evaluation and resource for nursing homes that are considering implementing an EHR system. Information regarding the Portfolio was shared with the following Maryland nursing home associations: American Association of Homes and Services for the Aging (AAHSA), LifeSpan, and Health Facilities Association of Maryland (HFAM).

Staff continues to provide support to the Centers for Medicare and Medicaid Services (CMS) on their EHR Demonstration Project, which has been underway since June. Staff provided EHR evaluation material to approximately 66 practices that currently do not have an EHR. These practices must adopt an EHR by May 2011 to remain in the CMS Demonstration Project. In addition, each month staff provides consultative support to those practices requesting assistance. The CMS EHR Demonstration Project is a five year project for small to medium sized physician practices who serve as family practice, general medicine, internal medicine, and gerontology. Practices can earn up to $290,000 over the five year project period by demonstrating EHR adoption and reporting quality measure improvements. This project is limited to four states: Maryland, Louisiana, Pittsburgh, and South Dakota.

Health Information Exchange

Staff participated in a number of health information exchange (HIE) Advisory Board meetings for the Chesapeake Regional Information System for our Patients (CRISP). The Technology Committee members reviewed and commented on a draft Request for Proposal (RFP) for the HIE's core infrastructure. During the month, CRISP received several responses to the Master Patient Index RFP. The Technology Committee is currently in the evaluation process of the responses to the Medication History RFP. The Clinical Excellence and Exchange Services Committee held its first in person meeting in November. Discussions with this committee focused on the Use Cases (services) and schedule of deployment. The Finance Committee's initial meeting will convene in January. The HIE Policy Board (Board) is scheduled to meet for the first time in December. The Board consists of roughly 20 members primarily tasked with the development of policies for privacy and security.

Last month staff identified physicians currently practicing at Federally Qualified Health Centers (FQHCs). Approximately 69 FQHCs operate under 16 corporations in the state. Roughly 212 physicians practice at FQHCs. Assessing practicing physicians at FQHCs is a necessary step in developing outreach initiatives, education programs, and planning for onsite technical support required under the *Health Information Technology Extension Programs: Regional Centers Cooperative Agreement Program* (REC) funding opportunity. On November 25th, the Office of the National Coordinator for Health Information Technology (ONC) announced plans to award funds to about 40 applicants, up from about 20 originally planned for the first round and delaying the announcement by roughly six weeks. Applicants in the first

round expect to receive notification by January 21, 2010; CRISP submitted its application in the first round. Staff assisted CRISP in completing the REC application.

Over the past year, staff provided support to the Electronic Healthcare Network Accreditation Commission's (EHNAC) Health Information Exchange (HIE) Policy Accreditation Advisory Panel (panel). This effort is aimed at developing the criteria for an HIE accreditation program. The Advisory Panel meets monthly to identify policy challenges related to privacy and security, and to develop the preliminary draft criteria for the program. EHNAC is on schedule to pilot the draft criteria with the Utah Health Information Network (UHIN) in December. UHIN is an administrative electronic health network that recently launched a clinical messaging application. A consultant has been retained to assist in engaging additional policymakers from around the country to comment on the draft criteria. Over the next month, roughly 12 policymakers with HIE experience will provide input related to draft privacy and security policies that HIEs will need to have in place to receive EHNAC accreditation. EHNAC anticipates that the HIE policy accreditation program will be available in the first quarter of 2010.

Electronic Health Networks & Electronic Data Interchange

COMAR 10.25.09, *Requirements for Payers to Designate Electronic Health Networks,* mandates payers with a premium volume of over $1 million to annually report the volume of administrative health care transactions. Approximately 44 payers provided this information via the web-based application last June. These payers include Medicare, Medicaid, and seven Medicaid Managed Care Organizations. Staff used this information to develop the *2009 EDI Administrative Transaction Review*, which was released in November. Overall, EDI in Maryland continues to grow at a slow pace with an increase of 2.2 percent among providers and hospitals. Payers and providers use this report to develop strategies that increase the use of electronic health care technology. Staff also notified approximately 46 payers of their requirement to submit an EDI Progress Report in 2010 and made minor updates to the on-line web application.

Staff recertified four electronic health networks (networks): Novologics, SureScripts, PNC, Post-N-Track, and certified Mercury Data and QS1. New applications have been received by CareMedic and Office Ally; these networks are currently under review for candidacy status. COMAR 10.25.07, *Certification of Electronic Networks and Medical Claims Clearinghouses,* requires the MHCC to certify networks that transmit to payers doing business in the state. Staff is in the process of assessing 20 pharmacy networks that may need to comply with the Board of Pharmacy's recent modification to COMAR 10.34.20, *Format of Prescription Transmission*. These regulations require transactions that are exchanged with payers through pharmacy intermediaries to be certified by the MHCC.

National Networking

Staff participated in several webinars in November. Government Health IT sponsored a webinar entitled *ARRA and Beyond: Outcomes Driven Health Information Exchange*. This webinar presented how effective HIE can lead to improved quality and cost-effectiveness in care delivery, as well as a review of recent developments in guidance for the ARRA, the government's role in creating sustainable funding approaches for HIE, and business and technology strategies. Health Data Management hosted a webinar on *Sorting Out the Health Data Breach Rules*, which provided information on the Health Information Technology for Economic and Clinical Health Act of 2009 in respect to breach notification requirements. The eHealth Initiative sponsored the *Trends in State and Regional HIT Initiatives: Managing Collaborative Programs in the Face of ARRA* webinar. This session provided a discussion on the development of the Indiana Electronic Prescribing Initiative, and the current status of the CommonwealthRx program.